FORM MR-AR (Revised 1/2006)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940 GITUED FEB 2 4 2006

DIV. OF OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 19536, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

	Gene	eral Information
	1.	Report Time Period: From (mo./yr.) Jan 2005 To (mo./yr.) Dec 2005
	2.	DOGM File Number (Mine No): S270026
	3.	Mine Name: Black Jewel, Black Jewel #1, Black Jewel #2 (Millard)
	4.	Mineral(s) Mined (or permitted to mine): Obsidian
	5.	Type of mine: Surface Mine or Underground Mine
	6.	Legal Description (Location of Lands Affected):
		1/4,1/4,1/4, Section11, Township24 S, Range9 W
		1/4,1/4,1/4, Section, Township, Range
		1/4,1/4,1/4, Section, Township, Range
	7.	Name of Operator or Company: A & R Leasing LLC
	8.	Permanent Street Address: 688 E. Chad Ranch Road
		City, State, Zip: Veyo, UT 84782-4141
		Phone: 435-574-9300 Fax: 435-574-9333 E-mail: rfeller@fellerstone.com
	9.	Company Representative (or designated operator):
		Name: Russell C. Feller
		Title: Managing Member
		Business Address: 688 E. Chad Ranch Road
		City, State, Zip: Veyo, UT 84782-4141
		Phone: 435-574-9300 Fax: 435-574-9333 E-mail: rfeller@fellerstone.com
		Please check if any of the above information has changed since previous year.
Ι.	Minin	ng and Reclamation
	1.	Was there any mine related activity during the past year? Yes ■ No □
	2.	If no - what was the last year of activity?

3.	Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. 3 Tons mined.
4.	Briefly describe the type of work performed, during the past year. Removed by hand sorting.
-	How much new or additional acreage was disturbed during the past year? None
5.	
6.	How much acreage was reclaimed during the past year? None This description
7.	Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).
8.	What is the total disturbed acreage of entire project at years end? 1/2 Acre
9.	Briefly summarize any mining and/or reclamation plans for the upcoming year. Intend to removed 50 tons in the same disturbance with a loader and grizzly.
10.	The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.
NOTE: Section	III., "Additional Information" applies only to large mining operations.
III. <u>Additional I</u>	nformation - R647-4-121.2
1.	Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
IV. Signature R I here	equirement by certify that the foregoing is true and correct.
	Name (Typed or print): Russell C. Feller
	Title of Operator: Managing Member
	Signature of Operator: Vissell toll
	Date: 2-22-06

Jb

Plack Jewel

TOPO! map printed on 02/20/06 from "Untitled.tpc 112.86667° W 112.85000° W 112.83333° W WGS84 112.81667° W 34 38.76667° N 38.76667° N 38.75000° N 38,75000° N 38.73333° N 38,73333° N 38.71667° N 38.71667° N 112.86667° W 112.85000° W 112.83333° W WGS84 112.81667° W 1 MILE 1000 METERS TN * MN 13° 1000 FEET 0 500 Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

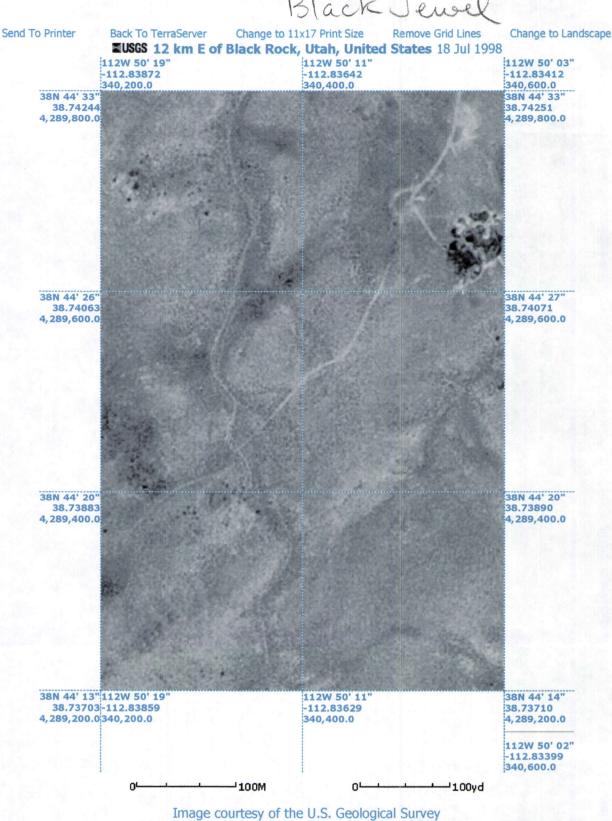


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